Before the
Federal Communications Commission
Washington, D.C. 20554

In the Matter of	)	
	)	
Application by BellSouth	)	
for Authorization to Provide In-Region,	)	CC Docket No. 02-35
InterLATA Services in Georgia and Louisiana	)	
	)	

DECLARATION OF SHERRY LICHTENBERG

1. My name is Sherry Lichtenberg. I have twenty years of experience in the telecommunications market. Prior to joining WorldCom, Inc., I was Pricing and Proposals Director for AT&T Government Markets, Executive Assistant to the President, and Staff Director for AT&T Government Markets. I also held a number of positions in Product and Project Management. I have been with WorldCom, Inc. for five years. I am currently employed by WorldCom, Inc. as a Senior Manager in the Mass Markets local services team. We will refer to the division of WorldCom, Inc. that offers local residential service as "MCI." My duties include designing, managing, and implementing MCI's local telecommunications services to residential customers on a mass market basis nationwide, including Operations Support Systems ("OSS") testing in BellSouth and elsewhere. I have been involved in OSS proceedings throughout the country including all of those in the BellSouth region.

2. The purpose of my declaration is to describe the continuing deficiencies we are experiencing with BellSouth's OSS. In response to BellSouth's prior section 271 application for Georgia and Louisiana, I, along with others, explained in detail the problems that MCI has experienced with BellSouth's OSS since it launched local telephone service for residential customers in Georgia in May, 2001 using combinations of unbundled elements (UNE-P). I will

not repeat all that we said there but instead will provide updates on the problems described while incorporating the prior declarations.

3. This Commission has three times rejected BellSouth's section 271 applications based largely on its failure to offer acceptable OSS. In December, BellSouth was forced to withdraw a fourth section 271 application because many of those problems continued. Less than two months later, BellSouth has again applied for section 271 while key problems remain – perhaps in the hope that it can fix these problems over the course of the section 271 review process. Hopefully, BellSouth will do so. Certainly, BellSouth is paying more attention to OSS problems than it did previously and is even providing attention at the Operations Assistant Vice President level in its manual handling center to resolving specific MCI problems. But BellSouth should have resolved these problems before, not after, again applying for section 271 authorization.

4. Underlying all of the problems with BellSouth's OSS is the fundamental inadequacy of its change management process (which I will discuss at the end of this declaration). That process precludes CLECs from obtaining needed changes in BellSouth's OSS and leads to implementation of changes that are riddled with errors and implemented without adequate notice to CLECs. BellSouth has not substantially altered this process since it withdrew its prior application. Nor has BellSouth resolved other key issues that led to that withdrawal: the inaccuracy of its order processing, the flaws in its due date calculator, and the defects in its performance metrics. We will not focus on the last of these issues, however, but instead discuss the ongoing operational problems that we face. In addition to the issues already mentioned, these include transmission of inauditable bills, high levels of manual processing, incomplete line

loss reports and others. The KPMG test in Florida also continues to reveal important defects in BellSouth's OSS that mirror the defects that MCI has found in production.

5. Finally, it is important to note that even if BellSouth's OSS were ready in Georgia, there is little reason to believe it is ready in Louisiana. BellSouth has little commercial experience in Louisiana; there has been no third party test in Louisiana; and there are enough differences between BellSouth's OSS in Georgia and Louisiana, that BellSouth cannot rely solely on its Georgia experience to show Louisiana OSS is ready.

I. Integration of Pre-ordering and Ordering Interfaces

6. I begin with an issue that will not be the focus of my declaration here: the integration of pre-ordering and ordering. BellSouth treats the issue as if it is the only thing standing between itself and long distance entry in Georgia and Louisiana. We agree that the issue is an important one. But we made clear in response to BellSouth's prior application that it was only one of a number of important issues – and was less fundamental than establishment of an effective change management process, something BellSouth has yet to implement.

7. We will not attempt to dispute BellSouth's evidence that with the advent of parsed CSRs in January, it now offers pre-order and order interfaces that can be integrated. That is not to say that we agree that the interfaces can be integrated. Indeed, we have significant doubt about much of the evidence BellSouth has presented. Moreover, although our examination of BellSouth's January CSR documentation reveals improvements over earlier documentation, the documentation remains extremely cumbersome to use. There are three large publications that must be used to validate the information in a single field, for example, unlike any other LEC in the United States, and industry standard Ordering and Billing Forum guidelines are not followed at all. Every other LEC has consolidated all business rules and technical specifications

at a field level basis per transaction type on one page. There is also nothing in the documentation regarding proposed cycle time – how long it will take to return the parsed information. The information must be returned quickly for it to be useful.

8. But MCI has not yet tested BellSouth's parsed CSR capability. This is not because we have concluded that parsed CSRs are unimportant. Instead, it is because MCI's Information Technology ("IT") resources are presently concentrated on other tasks, largely involving entry into other markets. The fact that we did not immediately begin using parsed CSRs the moment they became available does not (as BellSouth would like to have the FCC believe) show that we have changed our minds about the importance of parsed CSRs to the long run success of entry via the unbundled elements platform ("UNE-P"). It is merely a reality of business that only so much development time is available right now, and we have put it where it is most useful to our business.

9. We acknowledge that now that BellSouth's migrate by TN release is working relatively effectively, MCI's immediate need for parsed CSRs has been reduced somewhat. We still think it is important to use parsed CSRs to obtain feature information, and, in the future will need parsed CSRs to begin offering customers the ability to change directory listings and begin selling small business service to customers who require hunting. But we leave it to others to explain whether BellSouth now provides these capabilities.

II. Due Date Calculator

10. One of the issues on which this Commission focused in evaluating BellSouth's original section 271 applications and in considering BellSouth's recent application was problems that BellSouth had with its due date calculator. BellSouth claims to have fixed these problems.

But a new problem with due dates has become apparent. BellSouth does not transmit accurate due date information to CLECs on many Firm Order Confirmations ("FOCs") that it returns.

11. As a result of changes in its internal processes, MCI is now submitting a substantial number of supplemental orders to BellSouth to change the due date on orders it has previously submitted. For example, MCI may originally request a due date one week after it transmits an order but subsequently send a supplemental order requesting an earlier – or later due date. When BellSouth returns the Firm Order Confirmations ("FOCs") on these supplemental orders to MCI, however, the due date provided on the FOCs is the date that MCI *originally* requested, not the new due date. This appears to be so on *every* FOC that BellSouth returns on a supplemental order. But the dates on the FOCs do not match the dates on which the orders are actually provisioned. As a general matter, BellSouth appears to be provisioning the orders on the new due date that MCI has requested.

12. The problem is that MCI needs to know ahead of time when BellSouth intends to provision the order, so that it has this information to communicate to customers. Moreover, because many of these supplemental orders are related to financial transactions involving credit checks, numerous MCI groups need the information. Without the information, MCI cannot move to the next internal step in the installation process. But because MCI cannot rely on the due dates on the FOCs, MCI must obtain this information through manual lookups in BellSouth's order status systems. Oddly, BellSouth appears able to accurately update its order status information but not transmit the same information to MCI, despite the fact that this data should come from the same system. Manual lookups are extremely arduous because the order status information is inaccurate on every FOC BellSouth transmits on a supplemental order.

13. BellSouth acknowledged in January that there is a defect in its systems that is causing it to return inaccurate due date information. BellSouth has attributed the problem to a problem with its due date calculator. But BellSouth did not promise to fix this defect until April 6 (in a release that has now been moved to late March). Moreover, it is now entirely unclear whether BellSouth will actually make this fix. The change request BellSouth has submitted for resolving this defect does not appear on its face to apply to supplemental orders to change due dates but rather to supplemental orders to change directory listings. MCI asked BellSouth about this on several occasions, and BellSouth responded that the fix will include supplemental orders to change due dates. But in a change management meeting on February 27, BellSouth stated that it had determined it could not fix the problem in the March release. On February 28, however, after MCI pushed back on this point, MCI's account team told MCI that the release would apply to supplemental orders to change due dates. The change management team then informed MCI that this was correct – that after discussions with BellSouth's IT group, the change would be made in March. But the BellSouth web site still lists the change as applicable only to "Supplement 3s" and not the "Supplement 2s" that are impacting MCI. So the jury is still out on what change will occur in March.

14. This is an example of the continuing gap between BellSouth's change management group and its IT group – if MCI had not pushed back and asked the right follow up questions, it would have altered its future plans on the mistaken premise that the due date problem would continue after March. We will discuss this problem further below. In any event, MCI should not have to wait until late March for BellSouth to resolve such a significant defect in its systems.

III. Inaccurate Order Processing

15. A central failing of BellSouth's OSS has been BellSouth's failure to process service orders accurately. This problem continues. Order processing errors lead to misrouting of intraLATA calls, incorrect provisioning of features, loss of dial tone and other problems. Indeed, KPMG has opened a number exceptions in Florida related to switch translation issues. These include Exception 84 (BellSouth failed to use the proper codes when provisioning switch translations); Exception 112 (BellSouth's systems or representatives have not consistently provisioned service and features as specified in orders submitted by KPMG consulting), Exception 76 (BellSouth failed to provision disconnect orders properly with the expected intercept recording message); and Exception 130 (BellSouth's systems or representatives did not consistently provision service in a timely manner for orders submitted by KPMG Consulting.) (Att. 1). MCI also continues to experience order accuracy problems.

A. Inaccurate Routing of IntraLATA Calls

16. One result of BellSouth's inaccurate order processing is that BellSouth continues to assign customers to the wrong intraLATA provider. As of February 21, BellSouth had transmitted more than 73,000 records to MCI on the Daily Usage Feed for calls that had been routed to the wrong intraLATA provider. In approximately 80% of these cases, the correct intraLATA provider was MCI but BellSouth routed the calls through the BellSouth switch.

17. The number of intraLATA calls that are being misrouted appears to be steadily increasing. In August 2001, when MCI archived incorrect records from the prior 90 days, there were more than 11,000 such records. In January 25, 2002, when MCI archived incorrect records from the prior 90 days, there more than 47,000 records. (There are also almost 16,000 active

records that have not yet been archived.)[1] This misrouting is occurring even though, when MCI has checked the CSR, the CSR correctly lists the intraLATA carrier. The disconnect between the CSR, which should be the visible record of the work BellSouth has done to migrate the customer, and the actual switch translations suggests that there are potentially many more order accuracy errors than CLECs are able to find. In addition, since BelSouth's order accuracy metric checks the order against the CRIS billing record, and not the actual switch translations, this metric presumably is not capturing the problem.

18. There are several impacts of misrouting of intraLATA calls. First, the customer does not receive the intraLATA carrier he or she has chosen. In effect, the customer has been slammed. Second, the correct intraLATA provider (generally MCI) loses out on the revenue associated with these calls. Third, the CLEC is charged by BellSouth for transmission of the records for these calls to it on the Daily Usage Feed ("DUF") even though there should never have been usage at BellSouth's switch to transmit to the CLEC. Finally, BellSouth is enriched by both the intraLATA revenue and the revenue from the DUF records even though it is not entitled to that revenue.

19. When we raised the issue of misrouted intraLATA calls as a billing issue in our original filing last Fall, BellSouth responded that for many of these records, its bills were correct – it was its switch translations that were inaccurate. BellSouth carried the calls instead of the intraLATA carrier chosen by the customer, and thus BellSouth's bills reflect that it carried the calls. Scollard Reply Aff. ¶ 2. That is hardly a defense. The switch translation errors

[1] Active records may be from the same time frame as archived records because the DUF contains files that can have up to 90 days of usage. In any event, the archiving process does little good since BellSouth refuses to adopt an outcollect process that would enable WorldCom to return the erroneous records to it for investigation.

acknowledged by BellSouth are reducing the revenue of intraLATA carriers and leading BellSouth to bill CLECs for records they would not receive in the absence of these errors.

20. BellSouth also asserted that some of these calls were mobile calls and that this somehow shows the billing was appropriate. BellSouth's response did not include sufficient detail to assess its claim. If BellSouth had responded to MCI's communications to its account team and billing subject matter experts ("SMEs") on this issue, rather than responding only in its reply affidavit, perhaps the parties could have gotten to the bottom of this issue. But many months after filing its reply affidavit, BellSouth still has not responded directly to MCI with an explanation for the misrouted calls or a proposed method of eliminating them.

B. Feature Discrepancies and Other Errors

21. BellSouth's failure to process orders accurately also leads to incorrect provisioning of features and other errors. On February 20, MCI took a random sample of 625 BellSouth accounts in Georgia with sale dates between February 4 and February 8 and audited them for feature discrepancies, missing line loss notifications, and incorrect CSR updates. (Nine customers had returned to BellSouth, reducing the total to 216.) MCI found important errors on 22 accounts – an error rate of 2.3%.

22. Eight accounts had inaccurately provisioned features. On six accounts, collect and third-party calls were blocked even though this feature was not requested on the LSR. On another account, 900/976 blocking was not provided even though it was requested on the LSR. And on an additional account, a different feature was provided than the one requested. Unbundled Exchange Port, Residence, Measured was provided but Unbundled Exchange Port Residence <u>with Caller ID</u> was requested.

23. On four additional accounts, BellSouth failed to update the CSR to reflect the fact that MCI was now the owner of the account. On each of these accounts, MCI had received a completion notice on February 11 or earlier and had not received a line loss notification, but BellSouth had failed to update the CSR by February 20. We will discuss this problem further below. On one account, there was an indication on the CSR that BellSouth had won back the account, but MCI had not received a line loss notification.

24. MCI also conducted a similar audit of its Florida accounts. We took a sample of 606 completed Florida accounts with January 7 to February 8 sale dates. Twenty two of these customers had left MCI. Of the remaining 584 customers, 10 accounts had feature discrepancies, 1 account had the incorrect billing party, and 13 accounts reflected MCI as the carrier of record even though MCI had received line loss notifications. This is a 4.1% error rate.

25. In its application here, BellSouth claims its provisioning accuracy has improved. But the substantial number of significant errors shows that the problem has not yet been resolved. While a 2.3% error rate on the Georgia sample meets the performance benchmark for order accuracy, MCI was only evaluating an important subset of order accuracy errors. For example, MCI was not including the misrouted intraLATA calls in its evaluation (there would be no easy way to do this); nor was it including the lost dial tone which we discuss below.

26. KPMG has found that BellSouth is still far below 95% accurate in order processing. When KPMG performed its own analysis in Florida, it first found that "BellSouth is currently at 90.5% accuracy of provisioning switch translations," It later found that "features and services are provisioned in he switch accurately for 86% of the telephone numbers validated." Att. 1, Exception 84 (Dec. 21, 2001). In addition, KPMG opened Exception 112 in Florida and now states "Based on KPMG Consulting's initial testing activities, BellSouth

updated 70% of the reviewed CSRs accurately. . . .Based on retest activities, BellSouth has updated 77% of the reviewed CSRs accurately." (Att. 1, Exception 112, Feb. 8, 2002). Thus, BellSouth still fails to process orders accurately. There is simply no reason that BellSouth should make such significant order accuracy errors. The reason it does so is very likely the high level of manual handling it employs.

C. Delays in Posting to Billing

27. BellSouth does not appear to be updating its billing systems properly and rapidly. As we just discussed, we identified in our audit customers whose CSR still lists them as BellSouth customers despite the fact that we have received completion notices.[2] BellSouth's CSOTS web site also shows that these customers have migrated to MCI. As with the case of the inaccurate due dates transmitted on FOCs, BellSouth seems to be accurately updating some of its systems but not updating others.

28. Last August, BellSouth explained that the delay in updating some CSRs resulted from the fact that some customers get caught in a "hold file error," due to discrepancies between the customer's CSR and the customer's billing record. In other words, because the customer's existing CSR does not match the customer's billing records, BellSouth holds the order and does not update either the CSR or the billing records to reflect that MCI is now the carrier. It is very difficult for MCI to quantify the extent of this problem, but BellSouth's initial description of the hold file suggested that it was relatively routine that orders fall into the hold file.

29. The problem is likely to increase in future months. When BellSouth implemented its migration by telephone number ("TN") release in November, it began adding an address from its Regional Street Address Guide ("RSAG") database to each CLEC order. But BellSouth

checked that address against the address on the CSR, and then rejected the order if the addresses did not match. This was unsatisfactory because CLECs had no way to ensure that the addresses matched. On February 2, BellSouth removed the edit by which it checks the address from RSAG against the address from the CSR. This change seems to have resolved the reject problem caused by database mismatches. But it also means that an order will travel through BellSouth's downstream systems with the address from RSAG on the order even if it does not match the address from the CSR. If the two addresses do not match, the order is likely to fall into a hold file when it reaches the billing system, resulting in a delay in updating that system. Unlike Verizon, BellSouth has not actually cleaned up its databases to ensure the addresses match. Thus, the February 2 change is likely to increase the number of orders for which updates to the CSR and billing systems are delayed.

30. When updates to the billing systems are delayed, the CLEC will not receive any daily usage information on the customer since BellSouth's systems still view the account as belonging to BellSouth. This means that CLECs cannot bill customers for usage. The CLECs will, however, bill the customers the flat-rated fees for the accounts. But the customers likely also will receive bills from BellSouth which still views the customers as its customers. The customers will be double billed and will often blame their new carrier for the double billing.

31. In addition, subsequent orders for customers whose orders have not yet completed through billing (for example, to add or change a feature), will be rejected either because another order is pending in the BellSouth systems or because the systems do not yet recognize the customer as having migrated to MCI. MCI raised this issue in response to BellSouth's prior application and is now seeing a number of orders actually rejected for this reason. MCI is

---

2 This is a different problem than the one found by KPMG in which CSRs are updated inaccurately. Here, as a

receiving rejects because the "Account is Final" or the "CLEC Does Not Own This Account." The total number of orders rejected for these reasons is quite high – it is difficult to determine how many of them result from BellSouth delays in updating the CSR, however. But MCI has been told that at least some of the rejects result from this reason.

32. The problem with discrepancies between the information in BellSouth's billing systems and information in its other systems is very similar to problems MCI has experienced elsewhere. In New York, the substantial problem that arose with respect to missing notifiers resulted in part from Verizon's failure to "post" orders to its billing systems. But Verizon at least transmitted billing completion notifiers to inform CLECs when an order had posted to billing. To date, BellSouth has refused to transmit similar billing completion notices, although, after the Florida Commission expressed interest, BellSouth is supposedly again looking into providing this notifier. Thus, the CLEC has no easy way of knowing whether BellSouth has properly updated its billing systems. The only way to find this information would be to check each and every customer CSR through the BellSouth systems to determine which ones have not been updated to reflect MCI as the billing party. This is a practical impossibility.

33. MCI requested in change management that BellSouth provide billing completion notices to alert CLECs to orders that do not make it through the billing change process. BellSouth's change control team refused to agree to MCI's request, stating that billing issues are not covered by change management and later that it would not issue BCNs unless they were adopted by industry standard bodies.

---

result of discrepancies in order processing, the CSR is not updated at all – at least for a significant period of time.

34. Without BCNs, there is no mechanism in place to assess BellSouth's performance in updating its billing systems or to motivate improvements if performance is inadequate. BellSouth does not measure the timeliness or completeness of updates to its billing systems.

D. Loss of Dial Tone

35. BellSouth's order accuracy errors also continue to lead to loss of dial tone for a substantial number of MCI customers. Since MCI launched service in May 2001, 1.91% of its customers have lost dial tone within 30 days of migrating to MCI. These figures have been updated through January 25, 2002.

36. In each case, the customer who lost dial tone had working phone service before being migrated to MCI and then lost dial tone after migration. It is highly unlikely that 1.91% of would have lost dial tone shortly after migration if BellSouth's migration process were working as it should be. A UNE-P migration should not cause any lost dial tone; thus, MCI customers should not lose dial tone in any greater numbers after migration than would retail customers in a given month. It is simply unfathomable that anywhere near 1.91% of BellSouth retail customers lose dial tone in a given month, and BellSouth has never suggested that they do.[3]

37. Thus, BellSouth's claim that most of the lost dial tone experienced by MCI customers is for reasons unrelated to migration of service is almost certainly wrong. It strains credulity to believe that so many customers would suddenly experience problems with their inside wiring or cable pairs shortly after migrating to MCI, as BellSouth suggests.

38. BellSouth has acknowledged that one source of lost dial tone is errors caused by its two service order process in which BellSouth creates a "D" order to disconnect the

[3] MCI has asked BellSouth how many of its retail customers lose dial tone in a given period of time. BellSouth initially told MCI that this information was in PMAP but, when MCI could not find the information, later told MCI it would not provide the information.

customer's old service and an "N" order to establish new service with the CLEC. If those orders are not related and properly sequenced through the entry of specific codes by the BellSouth systems – or, for manually processed orders, by the BellSouth service representative – the customer may lose dial tone. Thus, like the other errors described above, this is an order accuracy error.

39. The connection between migration and loss of dial tone is more apparent rather than less apparent if a 5 day period after migration is considered, rather than a 30 day period. More than half of the MCI customers who lost dial tone in January 2002 lost dial tone within the first 5 days after migration. BellSouth itself indicates that .56% of customers lost dial tone within 5 days of conversion. (Stacy, Varner, Ainsworth Supp. Aff. ("Stacy Supp. Aff.") 183). This is actually a very high number for such a short period. Moreover, 30 days is a more appropriate period to measure, as the two service orders BellSouth creates sometimes do not complete for more than 5 days after migration.

40. MCI has no way of determining the causes of individual instances of lost dial tone, however. All that it can do is evaluate the reasons provided by BellSouth in its trouble codes. That is also all that KPMG did when it evaluated a sample of MCI customers who had lost dial tone. Like MCI, KPMG was able to determine that some customers lost dial tone as a result of order processing errors that led the two service orders created by BellSouth to become disassociated.[4] But KPMG was unable to evaluate whether the codes on the trouble reports that suggested reasons for loss of dial tone seemingly unrelated to the two service order process were

[4] BellSouth cites KPMG's conclusion that fewer than 1% of MCI customers lost dial tone. But that conclusion was based on KPMG's erroneous impression that MCI has sent it all examples of lost dial tone from the relevant time period. MCI's actual lost dial tone during the period was 4.6 times that of the sample provided to KPMG. By assuming KPMG's finding that 42% of the loss of dial tone resulted from service order errors, this would mean that 4.27% of MCI's orders lost dial tone during the time period and 1.8% resulted from service order problems.

accurate or whether, even if accurate, the seemingly unrelated codes were in fact related to that process. For example, it may be that BellSouth disconnects and reconnects wires at the frame on basic UNE-P orders as a result of the two service order process. Or BellSouth may mark the circuit as unavailable for reuse in LFACS, because it has not yet received the N order, making it necessary to install a completely new circuit on the frame and dispatch out to the customer premise to install the new wires in the NID. If so, the trouble codes related to such new wires would actually result from the two service order process.

41. BellSouth recently evaluated a sample of fifteen customers who lost dial tone between December 5 and December 12, 2001. (MCI sent BellSouth a sample of 227 customers (of 309) customers who lost dial tone in that period but BellSouth only evaluated fifteen).[5] Of the fifteen that BellSouth analyzed, BellSouth itself concluded that 27% lost dial tone as a result of the two order process. Even accepting this number at face value, if 27% of the MCI customers who lose dial tone do so as a result of the two order process, that is a significant amount of unnecessary harm to customers. (BellSouth has not yet provided the telephone numbers for the customers it analyzed, claiming that there were regulatory implications it first had to consider).

42. The problem MCI is experiencing with lost dial tone does not appear to be captured in BellSouth's performance measures. BellSouth measures "the first trouble report from a service order after completion." Ex. PM-1 (P-9). If the N order has not completed, however, and the D order disconnects the customer, the CLEC trouble report will not actually occur "after completion" and thus may not appear at all in BellSouth's performance reports. Or

[5] BellSouth stated that for most of the others, the migration had occurred prior to December. BellSouth failed to explain why this justified exclusion of these customers from the analysis.

worse – it may appear in BellSouth's retail trouble reports because BellSouth believes the customer is still its customer – and thus skew the parity standard.

43. Moreover, even if BellSouth associated the trouble report with the CLEC that submitted it, BellSouth often would exclude the report from its measure. BellSouth excludes from its measurement troubles it classifies as caused by customer premises equipment – without any way for the CLECs to know that BellSouth had concluded that a particular instance of dial tone loss was caused by customer premise equipment, or to verify that BellSouth's assessment is accurate. Ex. PM-1 (P-9).

44. Both the Georgia and Louisiana Commissions recognized the flaws in the two service order process and required BellSouth to eliminate it. BellSouth has already missed the date set by the Georgia Commission for doing so. BellSouth now claims it will eliminate the two service order process on March 23, 2002. But BellSouth should have waited until after it made the change to reapply for section 271 authority. This is especially so because the change is a significant one that will affect many of BellSouth's back-end systems which are now updated by N and D orders. It is important that CLECs have time to evaluate whether this change is effective – or whether it produces any unexpected problems before BellSouth receives section 271 authorization. Moreover, BellSouth has determined that it will make this change in March only in Georgia, Louisiana, Florida, and Mississippi, despite the fact it claims its systems are identical throughout its region. Either the systems are not the same or BellSouth is so worried about this change that it is making it for now only where it needs to do so.

IV. Line Loss Reports

45. This Commission recently explained the need for a BOC to provide CLECs with accurate line loss reports. Pennsylvania Order ¶ 52. Without such reports, a CLEC will continue

to bill an end user even after the end user has discontinued service with the carrier. At present, BellSouth fails to submit line loss reports for approximately 2.3% of customers who have migrated away from MCI – a number that is far too high. In addition, when BellSouth does transmit line loss reports, many of these reports are for customers who either have not migrated away from MCI or who have migrated away but for whom BellSouth has not completed the migration in its own systems.

46. As we explained in response to BellSouth's prior section 271 application, MCI has experienced problems with missing line loss reports since it launched service in Georgia last May. It has become apparent that there were thousands of customers missing from the line loss reports, and, not surprisingly MCI received 1,285 complaints of double billing by November.

47. For two months after MCI provided examples of missing line loss notices to BellSouth in August 2001, BellSouth failed to provide an explanation. On October 17, 2001, BellSouth finally explained that some customers were left off the line loss report as a result of manual errors and others were left off because they were customers who had been switched to MCI in error. With respect to the latter group, BellSouth claimed that MCI had requested that such customers be excluded from the report, but BellSouth has never provided any support for this assertion. It is simply untrue. MCI needs the line loss notification to stop billing regardless of why the customer has left and would not have asked for switched-in-error customers to be left off the report.

48. In any event, BellSouth agreed that until it was able to fix the line loss reports – which are electronic and are transmitted via Network Data Mover ("NDM") – it would transmit recovery files that would include those line loss notifications that were not on the NDM feed. The number of notifications BellSouth subsequently transmitted in the recovery files is evidence

of the magnitude of the problem. BellSouth transmitted recovery files for 4,931 unique ANIs that were missing from the line loss reports between July 2001 and February 2002. And this number does not even include the customers missing from the line loss reports between May and July 2001. BellSouth has not yet managed to send the recovery files for these months.

49. BellSouth's transmission of the recovery files has enabled MCI to ensure that those customers listed in the files are no longer being double billed. But both BellSouth and MCI agreed that transmission of the recovery files was not a permanent solution. The recovery files are not transmitted as quickly as the regular NDM feed and, unlike the NDM feed, do not automatically update MCI's billing systems.

50. On February 2, therefore, BellSouth implemented a change designed to ensure that "switched in error" customers were included on the NDM feed. But this change resolved only a part of the problem. On February 12 and February 18, MCI pulled data on customers from BellSouth's web site, which is an alternative method used by some smaller providers for obtaining line loss information. There were 1,854 unique ANIs lost to MCI according to the web site; 102 of which were "switched in error" customers. Of these, MCI had not received line loss notifications via NDM (or recovery file) for 13 as of February 25 – an error rate of 6.9%. (Att. 2) As is typical of BellSouth's fixes, the change did not resolve the entire "switched in error" problem. Moreover, in addition to its failure to return the 13 "switched in error" line loss notifications, BellSouth also failed to return an additional 29 line loss notifications – for a total error rate of 2.3%. (Att. 2) It may be that this failure is the result of the manual errors BellSouth indicated were a cause of deficient line loss reports in October. But BellSouth is not even scheduled to attempt to fix this problem until May – and again there is no change request documenting this fix.

51. Thus, 2.3% of customers are still being left off the line loss reports (even though BellSouth is somehow able to provide line loss information on these same customers on its web site). This is unacceptable. Moreover, it may underestimate the true error rate because MCI's analysis presumes that the information on the web site is complete.

52. MCI has far too many customers to rely on the web site as a means of obtaining line loss information. And using it as a supplement to the NDM reports would eliminate all of the advantage of the automated NDM process. Moreover, KPMG has opened an exception in Florida because the line loss information included on the web site does not include sufficient detail for CLECs to properly identify account activity. Exception 139 (Att. 1). Thus, MCI must rely on the NDM reports -- but a 2.3% error rate on the NDM reports is far too high.

53. The impact of missing line loss reports is severe. Without a line loss report, MCI does not know to stop billing the customer. The customer is therefore billed by both MCI and the customers' new carrier. Indeed, as noted above, MCI has received thousands of complaints of double billing.

54. Moreover, the missing line loss reports are not the only problem MCI is experiencing with these reports. In addition to its failure to send reports for customers who have left MCI, BellSouth appears to be transmitting reports for some customers who remain assigned to MCI at the switch. Several months ago, MCI determined that it continued to receive daily usage feeds for some customers for whom it had previously received line loss reports. These daily usage feeds showed MCI local traffic for days or even weeks after MCI had received the line loss reports. Indeed, in some instances, traffic would cease immediately after the customer was reported lost and would then resume weeks later.

55. This problem is continuing. On February 20, MCI compared the call records received on the Daily Usage Feed with its line loss reports. It found that when it looked at 90 days of usage received from BellSouth, there were 1,700 ANIs that had local traffic after the loss migrate date, including 257 ANIs with local traffic for over three days after the loss migrate date. MCI is billed on its wholesale bill for transmission of the DUF files related to these customers even though MCI has stopped billing the customers after receiving the line loss reports. It may also be the case that MCI is being charged a per-line charge on its wholesale bill for each of these ANIs. BellSouth must fix its line loss reports to ensure that it sends such a report when a customer leaves MCI, and that, when it does so, the migration is completed in its own systems.

V. BellSouth Relies On Too Much Manual Processing

56. BellSouth processes too many orders manually in Georgia and Louisiana. Manual processing of orders inevitably results in delays and errors. Indeed, BellSouth has attributed much of its deficient performance to manual mistakes. For example, BellSouth has attributed loss of dial tone to manual errors in placing the RRSO code on N and D orders. It has attributed unclear error messages on rejects, as well as erroneous rejects, to manual errors.

57. BellSouth contends that its level of automation is sufficient, relying primarily on its performance measurements on flow through. But, as we will discuss below, BellSouth's performance measurements prove little. What is clear is that BellSouth has not automated extremely common types of orders, including orders of customers who have call forwarding or voice mail as retail features. There is simply no excuse for BellSouth's failure to automate these order types. It certainly cannot claim that the manual processing that results from this failure is the result of CLEC error.

58. Indeed, as a general matter, BellSouth's attempt to blame CLECs for high levels of manual processing cannot withstand scrutiny. MCI has repeatedly asked BellSouth to analyze samples of MCI orders that have been manually processed to explain why they fell out. After months of refusing, BellSouth finally agreed in September 2001 to analyze a sample of 89 orders that it chose to determine why they had been manually processed. (Att. 12 from October Lichtenberg Decl. (spreadsheet from BellSouth meeting.)) More than 50 of 89 orders fell out as a result of BellSouth issues.[6] Fourteen orders fell out because BellSouth was unable to recognize requests for second lines and instead believed these requests might be duplicate orders, nine fell out because the customer had voice mail or call forwarding, six fell out because the customer had an installation costs installment plan, eight fell out as a result of various BellSouth systems issues, eight fell out because of "planned fallout – Sup on RRSO"; six fell out because the service orders were not posting correctly, which BellSouth said is planned manual; one order fell out because the BellSouth representative copied an incorrect zip code from the CSR; one fell out because of a BellSouth promotion; one fell out because there was a pending winback order from BellSouth even though MCI has not received a loss notification on that line. Thus, 54 of the 89 orders that fell out for manual processing did so as a result of BellSouth errors or planned fallout on simple orders. (Att. 12 to October Lichtenberg Decl.) The analysis also confirmed what MCI had been told for the first time in August – orders with voice mail or call forwarding fall out for manual handling.

59. A more recent analysis by BellSouth produced similar results. Initially, BellSouth refused to provide MCI with a new analysis, but after a request from a Florida

6 Eighteen additional orders fell out as a result of address errors. BellSouth would categorize these errors as MCI errors and thus would exclude them from its flow-through analysis – even though it is BellSouth's systems requirements that, at the time, forced MCI to transmit addresses.

Commissioner on February 18, BellSouth provided the analysis the next day. According to BellSouth's February 19 letter, it analyzed 121 Florida LSRs from November and 271 from December. Of the November LSRs, "62 orders fell out for error code 8825 (ZLIG, OZIP, ZDCO)" and "59 orders fell out for error code 8820 (Bill FID/Installment Service Fee). (Att. 3). Of the November orders, 136 fell out for error code 8825 (ZLIG, OZIP, ZDCO), 96 orders fell out for error code 8820 (Bill FID/Installment Service Fee), 27 orders fell out for error code 1000 (clarification by a service representative) and the others fell out for a series of miscellaneous reasons.

60. The analysis provides some useful information but also has some important limitations. What is clear is that the ZLIG FID, which is the FID associated with a customer who has retail voice mail or call forwarding, is responsible for a significant portion of the manual fall out. Approximately half of the MCI orders that fell out in November and December did so as a result of error code 8825, associated with the ZLIG, OZIP and ZDCO FID. In the spreadsheet provided by BellSouth approximately 43% of the orders with error code 8825 are described as falling out as a result of the ZLIG FID, for approximately 21% of the overall fallout. (I do not know how BellSouth was able to determine which of the orders with error code 8825 fell out as a result of the ZLIG FID as opposed to other reasons). In addition, some of the orders listed under error code 1000 (clarification by a service representative) are described as falling out as a result of the ZLIG FID. (Again, I am not sure how BellSouth is able to determine this or why these orders would have a different error code than the others). This is so in November as well as December even though BellSouth's summary only lists order code 1000 as applicable to the December orders.

61. Second, BellSouth's analysis told MCI for the first time that a significant number of orders are falling out as a result of the ZDCO and OZIP FIDs. When MCI asked what a ZDCO FID was, BellSouth could not provide an explanation. BellSouth's explanation of the OZIP FID was only slightly more helpful. BellSouth stated that the OZIP FID was somehow related to zip code. I could not find the OZIP and ZDCO FIDs in the glossary for CLECs. What is clear, however, is that these are FIDs that BellSouth puts on the orders at some point which later cause these orders to fall out for manual processing. MCI does not put a ZDCO or OZIP FID on its orders. BellSouth, therefore, still does not even understand some of the primary causes of fallout in its systems that are caused by internal BellSouth issues.

62. We remain puzzled by other parts of BellSouth's analysis as well. One primary source of fall out is error code 8820 (Bill FID/Installment Service Fee). We do not know if this is one or two causes of fallout. The spreadsheet lists orders that fell out as a result of OISF Bill FID (installment service fee) separately from orders that fell out as a result of Bill FID, but there is a single error code. MCI is aware of the installment service fee issue but is not aware of a separate bill FID issue. BellSouth has yet to answer whether there is a separate issue. To date, BellSouth also has been unwilling to provide MCI the specific purchase order numbers that it analyzed to match them up against the reasons for fallout, so that MCI can better understand the source of the problem. Thus, BellSouth's claim that it is working with CLECs to improve flow through is at best partially correct given that BellSouth has not even determined the causes of fall out itself. None of the manual handling reasons listed here are even being looked at by the BellSouth flow-through task force.

63. Nor do BellSouth's flow-through numbers show that its current level of manual processing is acceptable. To begin with, we note that even if BellSouth's flow-through rate were

as high as it claimed, this would not excuse its failure to significantly increase flow through by automating orders for customers with voice mail or call forwarding – and for determining other significant sources of manual processing and eliminating them. But the very fact that UNE-P migrations for customers with call forwarding and voice mail fall out casts severe doubt on BellSouth's flow-through numbers; these features are too common for BellSouth to achieve the flow-through rate it claims without automation of these order types.

64. Moreover, BellSouth counts many orders as flow-through for purposes of its metrics even though these orders fall out for manual processing. After BellSouth conducted its September analysis of 89 MCI orders, which we have discussed above, we took three of those orders that clearly fell out as a result of BellSouth-caused errors and looked them up in PMAP. What we found is that each of these orders was considered to flow through in BellSouth's metrics even though BellSouth acknowledged manually processing these orders![7]

65. Although we are unsure why BellSouth considered these orders to flow through, what we presume is that these orders fell out for manual processing after BellSouth had already issued a FOC on these orders. The errors that caused these orders to fall out involved failures in LESOG. In two instances LESOG issued orders for "Ringmaster" service and these orders failed; in another instance LESOG incorrectly issued duplicate orders. If orders that do not flow through for basic systems errors such as these are counted as flow-through orders, BellSouth's flow-through numbers are largely worthless. In all of its discussion of flow through during the prior application, BellSouth chose to ignore this basic criticism of its flow-through numbers.

---

[7] BellSouth's Flowthrough Logic (Att. 21 to October Lichtenberg Decl.) in PMAP states that an order is counted as flowing through if PMAP does not have codes showing the order to be a fatal reject, an auto clarification, or a planned manual order, and if it contains the codes "FOC STAGED FOR LSR" or "FOC AND CN STAGED FOR LSR" and "ORDER NUM" or "INFO ORDER" or "CANCELLED." Each of the three orders met these conditions. (Att. 22 to October Lichtenberg Decl. (PMAP data on three orders).)

66. Moreover, BellSouth's flow-through data rely on the following premise: if an order falls out because of a BellSouth system error but the BellSouth representative then finds what he or she believes is some other error on the order, such as an address error, then BellSouth categorizes the order as CLEC-caused fallout. Thus, for example, if an MCI order falls out because the BellSouth retail customer had call forwarding – a problem we will discuss below – but the representative then finds an error on the order, the order is not counted against BellSouth's flow- through performance. And this is so even if the "error" would not in fact have caused the order to drop out of BellSouth's systems.

67. KPMG has also found issues with BellSouth's flow-through. In Florida, KPMG opened Exception 86 on August 15, 2001 because BellSouth was manually processing orders designed to flow through before returning a FOC. (Att. 1). Exception 86 states that in a retest concluding on February 17, 2002, KPMG found that 15% of residential orders designed to flow through fell out for manual intervention. In each test run by KPMG, its results disagreed with the flow through numbers provided by BellSouth for these same orders.

68. BellSouth's high level of manual processing continues to cause substantial harm to CLECs. The FCC has found a "direct correlation between the evidence of order flow-through and the BOC's ability to provide competing carriers with nondiscriminatory access to the BOC's OSS functions." Louisiana II Order ¶ 107. BellSouth's errors in processing orders accurately, including its mistakes with respect to feature provisioning and with placement of the RRSO code that is necessary to prevent a loss of dial tone, are most likely the result of manual mistakes.[8] BellSouth's erroneous manual rejects are also the result of manual processing.

[8] As BellSouth has previously acknowledged, KPMG, in its Georgia test, found 10 not satisfied observations for manually processed (partially-mechanized) orders related to accuracy and timeliness. Stacy October Aff. ¶¶ 480, 573. For example, as noted above, manual errors led to return of inaccurate and belated FOCs and rejects and also

69. For the moment, BellSouth is providing special attention to MCI orders – attention at the Operations Assistant Vice President level via special teams dedicated to resolving problems with MCI orders. We are appreciative of this, and it does appear to have reduced the number of erroneous manual rejects. Nonetheless, between February 2 and February 18, MCI has determined that BellSouth transmitted 84 erroneous manual rejects on MCI orders. This includes 18 orders that were incorrectly rejected for reasons related to the customer's address. (Between January 18 and February 18, BellSouth transmitted 57 manual rejects to MCI for invalid addresses.) If BellSouth obtains section 271 approval without further automating its systems, the number of manual errors is likely to increase significantly.

70. As with other problems we discuss here, BellSouth has promised future changes to reduce the problem. It has promised to automate processing of orders for customers with voice mail or call forwarding on May 18 – after the end of the 90 day evaluation period. BellSouth therefore has acknowledged the importance of such automation but has scheduled the fix too late to evaluate it. Moreover, although BellSouth has promised MCI it will implement this fix in May, MCI has not been able to find any change request or other CLEC-wide announcement of implementation of this change. BellSouth claims that because it is an internal change, it does not need to place the change on the change management list. This makes no sense, and is another example of BellSouth's narrow definition of "CLEC Affecting Change," which we will discuss further below. In any case, BellSouth should have automated orders for customers with voice mail and call forwarding before again applying for section 271 authority.

---

led to failure to return completion notices altogether. Georgia MTP O&P 1-4-2 (erroneous rejects), 2-4-2 (erroneous rejects); Georgia MTP O&P 1-2-1 (failure to return completion notices), 2-2-1 (failure to return completion notices); Georgia STP PO&P 11-3-3B (belated return of rejects), 11-4-3 (inaccurate and incomplete FOCs) and 11-4-4 (inaccurate error messages). It also led to inaccurately provisioned orders. Georgia MTP 5-2-1.

VI. BellSouth Should Use Interactive Agent

71. BellSouth is the only BOC that processes MCI's platform EDI orders through a VAN. A VAN essentially creates a stopping point between the CLECs and BellSouth. Because BellSouth uses a VAN, MCI must use its own third-party VAN provider to link to BellSouth's VAN provider, a company called Peregrine. Thus, orders transmitted from the CLECs to BellSouth and acknowledgments, firm order confirmations and other notifiers from BellSouth to the CLECs must pass through the VAN. Orders and notifiers are often delayed significantly in the VAN and may even be lost altogether.

72. Delays caused by BellSouth's use of a VAN are not captured by BellSouth's performance measures. BellSouth measures the timeliness of its notifiers based on when they leave "EDI Central," before they reach the VAN. If the notifier leaves BellSouth on time, it counts as on time in BellSouth's performance measures even if it sits in the VAN for days before reaching the CLEC. BellSouth's measures of completeness of notifications provided to CLECs also will be satisfied even if notifiers remain "stuck" in the VAN.

73. Moreover, the very possibility that orders or notifiers can become lost in the VAN creates difficulties for CLECs. If MCI is missing a notifier and asks BellSouth to trace the notifier, BellSouth must look not only in its own systems but must also determine whether the notifier is stuck in the VAN. Because transactions are sent through the VAN in batches, entire batches must be searched rather than simply looking for individual notifiers. And the VAN does not have a log file; after seven days the record of transactions in the VAN disappears.

74. BellSouth's OSS witness Mr. Stacy has acknowledged that a VAN was set up primarily for low-volume connection. Because of the inherent difficulties with use of a VAN, it is not a desirable means of connection for CLECs such as MCI that are transmitting thousands of

orders per week. BellSouth has suggested that instead of using a VAN, larger CLECs should use BellSouth's "Connect Direct." But none of BellSouth's documentation indicates that high volume CLECs should use Connect Direct. Moreover, Connect Direct is a proprietary interface, created by a third-party vendor, that is not the method chosen by the industry for transmission of high volumes of EDI transactions. Like transmission through a VAN, Connect Direct is a batch process, and there is no reason to believe it would work any better than the VAN.

75. The industry has chosen EDI TCP/IP/SSL3 – Interactive Agent as the method for submitting high volumes of orders in a competitive production environment. With other BOCs, MCI submits its orders using Interactive Agent directly to the BOC and receives acknowledgments, firm order confirmations and other notices directly back from the BOC. Interactive Agent allows CLEC to send orders individually, rather than in batches, and has a log file that allows parties rapidly to search for missing orders or notifiers. Indeed, because of the advantages of Interactive Agent, Verizon sponsored seminars introducing it to CLECs and encouraging them to move to this ordering method.

76. BellSouth acknowledges that MCI submitted change request CR0186 to the change control process ("CCP") on September 26, 2000 requesting Interactive Agent but states that development is currently on hold because CLECs prioritized that request 21st out of 36 change requests at the April 25, 2001 meeting. However, BellSouth neglects to state that between September 2000 and April 2001 it failed even to put the change request before CLECs to prioritize at all. This is evidence of a flaw in the change management process that will be discussed further below. Moreover, the fact that CLECs ranked CR0186 21st on the priority list in April 2001 does not indicate that it is not important, only that those CLECs that do not use EDI for ordering – or place small volumes of orders – do not need Interactive Agent. For high

volume CLECs such as MCI, Interactive Agent is extremely important. And if BellSouth implemented even five prioritized CLEC requests per quarter, a change request ranked 21st would be implemented.

VII. BellSouth's Billing Processes Are Inadequate.

77. In its recent Pennsylvania Order, ¶ 13, this Commission explained that BOCs must provide CLECs with complete accurate and timely wholesale bills and with complete, accurate and timely reports on the service usage of CLECs' customers. BellSouth does neither.

78. MCI has had significant problems with auditing its wholesale bills due to formatting and other errors. These bills have billed usage against the wrong Billing Account Numbers (BANs), and have failed to transmit the Billing Telephone Numbers (BTNs) for many customers altogether. Without correctly formatted bills, MCI cannot audit the information that BellSouth provides to determine whether charges are being correctly assessed. MCI cannot simply "assume" that charges are correct but – like any business – must be able to ensure that the bill matches the circuits and features provided to our end user customers.

79. MCI's audit of the January UNE-P bills it received in Georgia showed that 3% of the lines for which MCI was billed did not include a BTN. (The bills included only the area codes instead of the complete BTNs for these numbers.) The BTN is the only information on the bill that identifies the customer to whom the charge or credit is supposed to relate. Without a BTN, therefore, MCI cannot even determine whether the charge or credit relates to a bill for a legitimate MCI customer, much less compare the charge or credit against the amount MCI expects to receive for a particular customer.

80. This is a longstanding problem. MCI called BellSouth many months ago to protest the missing BTNs on the bill. BellSouth did not look into the issue. Instead, BellSouth

informed MCI that if we did not pay our bills as a result of this issue, BellSouth would cut off MCI's service. MCI therefore paid the bulk of the bills. MCI has continued to raise the issue, and we discussed it in response to BellSouth's prior section 271 application. Yet BellSouth still has not fixed the problem. Instead, BellSouth initially asserted that it had no obligation to provide the BTNs that are missing. Now BellSouth seems to acknowledge that it should be sending the BTNs, but in recent weeks BellSouth has begun asserting that it is sending the BTNs. BellSouth has indicated to MCI that there is a way to extract the BTNs from the data it sends because the BTNs are in a left-hand Feature Identifier ("FID"). MCI hopes that BellSouth is correct and that BellSouth will soon explain how MCI can obtain the data. If MCI cannot do so, it will continue to have a substantial problem with auditing its bills. MCI's ability to audit is bills is particularly important because it appears likely those bills are inaccurate. KPMG recently issued a third amended Exception 44 in Florida because "BellSouth issued CABS bills that reflect incorrect quantities for Unbundled Switching and Transport usage." (Att. 1, Exception 44, issued Jan. 23, 2001.)

81. In addition to the problem with the missing BTNs, BellSouth also continues to bill usage against the wrong BAN. MCI has two UNE-P BANs in Georgia, one for customers around Georgia, one for the rest of the state. As of January 2002, 23% of the ANIs in Georgia were billing under the wrong BAN. This makes it more difficult to maintain records and track disputes. BellSouth must fix its many wholesale billing problems.

82. In addition to difficulties with BellSouth's wholesale bills, MCI has experienced some specific systems problems with BellSouth's daily usage feed ("DUF"). KPMG also has opened an important exception in Florida regarding BellSouth's transmission of the DUF – BellSouth failed to deliver DUF records following the completion of a change order, resulting in

the receipt of only 88% of expected DUF records. Exception 149 (Att. 1) But the bigger issue is that there is no readily available means of ensuring that BellSouth fixes the problems.

83. BellSouth provides a form on which a CLEC can transmit information regarding problems with an individual usage record – but this form cannot be used to submit issues that pertain to thousands of records. Moreover, information submitted on this form would not enable BellSouth to view the actual records to evaluate the problem.

84. One key request we made to the BellSouth account team was that BellSouth establish an "outcollect process." With such a process, MCI would return incorrect records to BellSouth which would then have all of the records and could more easily research the underlying problems. For example, MCI would like to be able to return to BellSouth the thousand of records BellSouth has transmitted for improperly routed intraLATA calls. This would be an easy way for BellSouth to provide credits for the DUF charges on such records. It would also enable BellSouth to more effectively investigate MCI's claim. BellSouth responded that it would take more than $30,000 to provide MCI an estimate of how much it would cost to provide an outcollect process even though BellSouth invented the process in the interLATA context for 800 number portability. Other BOCs such as Verizon and SWBT have established an outcollect process for free since this process benefits both entities.

85. BellSouth's remedy plan's $1 per occurrence remedy amount certainly does not provide any meaningful incentive for improving billing accuracy for either invoices or usage. And none of BellSouth's billing metrics capture how quickly BellSouth adjusts bills in response to undisputed let alone disputed billing adjustment requests.[9]

---

9 The Florida PSC recently ordered a Billing Errors Corrected in X Days proposed by CLECs for both DUF and Invoice errors, but only made it diagnostic. This metric, with benchmarks and attention-getting remedies, is needed

VIII. BellSouth Has Not Shown Its Performance In Louisiana Is Adequate

86. Even if the Commission were to conclude that BellSouth's OSS performance in Georgia is acceptable, there is no basis for it to reach a similar conclusion with respect to Louisiana. BellSouth has almost no experience in Louisiana processing UNE-P orders – the only viable means of providing ubiquitous residential competition. BellSouth therefore must rely on its Georgia experience to show the readiness of its systems in Louisiana.

87. We continue to believe there may be important differences between the OSS in Georgia and that in Louisiana. Unlike SWBT, which was always a single company, BellSouth grew out of the merger of Southern Bell and South Central Bell. *Compare* Kansas/Oklahoma Order ¶ 112 n.312. See also id. ¶ 118 n. 320. Georgia is a former Southern Bell state. Louisiana is a former South Central Bell state.

88. Although we have no visibility into BellSouth's systems, BellSouth has acknowledged one difference in order processing in its systems. BellSouth's account team stated that orders in which MCI had removed an asterisk from the address information would only flow through without being rejected in the former Southern Bell states – including Georgia. (Att. 8 from Lichtenberg November Reply Decl., MCI/BellSouth Action Registry Call Meeting Minutes, Nov. 1, 2001.) In the former South Central Bell states including Louisiana, BellSouth explained that removal of the asterisk from the addresses would cause MCI's orders to reject.

89. Our suspicions that there are important back-end different system differences across BellSouth's region have been further increased by BellSouth's plan for implementation of the single order process in March. BellSouth plans to implement this significant change only in select states within its region – including both Georgia and Louisiana where implementation was

---

to provide an incentive for BellSouth to correct the numerous errors CLECs are able to find (despite the difficulties

ordered. It is extremely odd that BellSouth would implement this change only in select states if its systems were truly uniform. Indeed, such implementation makes clear that BellSouth does not always employ the same processes throughout its region.

90. Thus, although there are undoubtedly important similarities in BellSouth's OSS throughout its region, there also appear to be some differences. Without significant commercial experience in Louisiana, there is no way to know how significant these differences are and no way to conclude that BellSouth's Georgia experience is adequate to show readiness in Louisiana. In any event, BellSouth's Georgia experience does not even show BellSouth's OSS is ready in Georgia.

IX. BellSouth's Implementation of a Change Management Process Is Inadequate

91. There has been very little time since BellSouth withdrew its prior section 271 application for it to demonstrate that its change management process is now working. It has not done so. BellSouth has not demonstrated that its process will now suddenly lead to implementation of a significant number of prioritized changes. Nor has BellSouth demonstrated that those changes it does implement are being implemented efficiently to minimize negative impact on CLECs. To the contrary, the only significant change made since BellSouth withdrew its last application, introduction of parsed, CSRs did not go smoothly.

92. BellSouth contends, however, that it has made process improvements that will ensure better performance in the future. It also points to proposals it has made for further alterations that it says will further enhance its performance. We are pleased that BellSouth has made some improvements and is considering others. But the improvements BellSouth has made

---

in auditing its poorly formatted bills).

and proposals it has advanced are nowhere close to resolving the core problems with the change management process.

93. Change management is essential to ensure that BellSouth's OSS is able to adapt as the telecommunications industry continues its rapid evolution. Change management is the process by which CLECs and BellSouth determine which changes are needed, and then implement those changes in such a manner that they do not have significant negative impacts on CLECs and their customers. For example, a good change management process will ensure that CLECs have sufficient notification of changes to an interface that they are able to adapt to any such change.

94. BellSouth's change management rules and its implementation of those rules must improve in a number of important ways before CLECs in the BellSouth region will have an adequate opportunity to compete. In response to BellSouth's prior application, we explained at length both in our initial comments and in our reply comments, as well as in a number of *ex parte* declarations, the fundamental defects in BellSouth's change management process. I will not repeat all of those details here. I will, however, summarize our criticisms and explain why they are still valid. In the process, I will discuss BellSouth's proposed alterations in its change management process.

A. BellSouth Delays Implementation of Important Change Requests

95. In the initial declaration I filed with others, we described BellSouth's failure to implement change requests important to CLECs. We explained that although BellSouth's change control plan in theory allows CLECs to prioritize change requests, in practice BellSouth often delays implementation of CLEC-initiated requests. Thus, vital CLEC requests, such as migration by TN, often take years to implement.

96. BellSouth's change management plan includes processes for both BellSouth and CLECs to propose changes. BellSouth-initiated changes are called Type 4 changes; CLEC-initiated changes are called Type 5 changes. Under the Change Management Plan, Type 4 and Type 5 changes are supposed to be treated identically. First, a change request must be reviewed for acceptance by BellSouth within 10 days (BellSouth had 20 days until recently). Stacy Aff. at OSS Ex. 39 at 28. Obviously, for BellSouth requests, such acceptance is a given. Before BellSouth accepts the change request, the request is called a new request. After BellSouth has accepted the request, the request is considered a pending request. The next step is that BellSouth has 5-7 days to prepare for a change review meeting, and it must then conduct such a meeting. At the meeting, CLECs prioritize change requests with one vote per CLEC. BellSouth then schedules those requests in upcoming releases and implements them.

97. But there is nothing in the change management plan that requires BellSouth to schedule and implement CLEC change requests. BellSouth can refuse to accept CLEC change requests, can accept them and not schedule them, or can schedule them and then change the schedule. This is so even if the CLEC's request is entirely reasonable and is a top priority of the CLECs. BellSouth has abused its control in order to deviate from the change management schedule or simply to delay implementation of CLEC-initiated change requests because nothing in the plan precludes it from doing so.

98. Of the 65 change requests that have been prioritized in the four change control prioritization meetings since June 28, 2000, only 15 had been implemented at the time BellSouth filed its application last Fall. Since then only two additional prioritized requests have been implemented. Thus, in approximately 20 months, BellSouth has implemented only 17 prioritized

changes. BellSouth has implemented far more change requests that CLECs did not prioritize than those that CLECs have prioritized, showing its complete disregard of the prioritization process.

99. BellSouth claims that it will implement 15 prioritized requests in 2002 (thirteen requests beyond the two it has implemented to date). BellSouth's current change control log shows twelve requests currently in scheduled status. This remains a glacial pace especially given the number of outstanding requests that have been waiting for months or years even to be prioritized – and especially given that BellSouth shelved its LSOG 5 industry standard release in order to free up release space to allow it to implement even these 15 changes. As explained in our declaration last Fall, we compared the number of prioritized requests BellSouth has implemented with the number that Verizon has implemented. In contrast to the 17 prioritized requests BellSouth has implemented in 20 months, in a one year period between October 2000 and October 2001, Verizon implemented 49 prioritized type 4 and type 5 requests – 170 prioritized requests overall. (In Verizon, change requests to correct defects, industry standard changes, and regulatory mandates are sometimes prioritized.) (Att. 25 from October Lichtenberg Decl.) With the exception of one request, every request made by CLECs in the Verizon region was prioritized and implemented over the one year period. In BellSouth, however, a multitude of change requests have not even been prioritized, much less implemented.

100. Indeed, analysis of CLEC-initiated change requests continues to show that BellSouth delays implementation of these requests at each stage of the process. As of February 20, 2002, there were 34 "new" Type 4 or 5 change requests on BellSouth's Change Control Log. All but one of the 34 have been in new status for more than the 10 days the change management plan allots for BellSouth to accept or reject a request. Of these, 28 were Type 5 changes and 6

were Type 4 changes. On average, the Type 5 changes have been in new status for 248 days; the Type 4 changes have been in new status for 82 days.

101. The protracted delays at this initial stage in the process generally occur not because BellSouth fails to respond to a request in the 10 day period but because BellSouth refuses to accept requests in its initial response even though BellSouth has no good reason for refusing to allow the request to be prioritized in the change management process. For example, MCI requested that BellSouth extend the length of time for which LENS and TAFI passwords remain valid from 60 days to 1 year (CR0421). BellSouth responded that this was not its policy, without providing an acceptable reason why the policy could not be changed. Thus, several months after the request was initially made, the parties were still discussing the request, rather than moving closer to implementation of the request. On October 17, BellSouth finally turned down the request based on the purported advice of its security personnel.

102. Even after BellSouth accepts a request, it often takes a long time before that request is placed on the ballot for CLECs to prioritize. In large part, this is because BellSouth has not implemented the changes that have previously been prioritized; thus there has been no point in prioritizing additional requests. As of February 20, 2002, there were 16 pending change requests. Nine of these were CLEC-initiated requests and seven were BellSouth-initiated requests. The average time the Type 5 requests had been pending was 308 days. The average time the BellSouth-initiated requests had been pending since requested was 246 days. Two of the pending change requests had been pending since 1999 or 2000 (CR 184, 246). Even though BellSouth has had two change control meetings since the beginning of 2001 to prioritize requests, neither of these requests was on either list to be prioritized.

103. Once a CLEC request is prioritized, it still must be scheduled for implementation. This also frequently takes many months. During its Georgia test, KPMG noted the "backlog of [CLEC] change requests that, at the time of this report, were prioritized but unscheduled for implementation into a release." Georgia MTP CM-1-1-3. That backlog continues today. And the backlog concerns the many of the same requests discussed by KPMG at the time of the Georgia report. No additional requests have been prioritized since April 2001.

104. BellSouth's February 20 status log shows that 23 change requests (13 Type 5 and 10 Type 4) were in the status "candidate request," which means that they have been prioritized by the CLECs at a change control meeting but have not yet been scheduled for implementation. The average time that these requests have been in candidate request status has been 541 days (585 for Type 5 requests and 485 for Type 4 requests).

105. Some of the "candidate requests" that have not yet been scheduled for implementation were ranked very high by CLECs. CR135, for example, which was submitted by AT&T on August 9, 2000, was prioritized fourth by the CLEC community on the pre-ordering/ordering priority list at the January 31, 2001 meeting.[10] It was re-prioritized at the April 25, 2001 meeting because BellSouth failed to schedule it for implementation prior to that meeting, and it was again prioritized fourth. (CR135 is designed to enable a CLEC to electronically order a migration of a customer's line to the CLEC and have that line added to an existing account the customer has with the CLEC.). But it has not yet been scheduled.

106. Another example of BellSouth's delay in scheduling implementation of candidate requests is MCI's change request 0186. On September 26, 2000, MCI submitted this change request for use of the Interactive Agent protocol which would allow orders to be transmitted in

real time, rather than being transmitted through a VAN. BellSouth initially responded that it would implement Interactive Agent with the scheduled release of CR0101 which had already been prioritized. In December 2000, BellSouth stated that CR0186 could not be worked with CR0101, but then reversed itself again on February 14, 2001, stating that the requests would be worked together. MCI escalated the issue on April 4, 2001. The change request was finally subject to prioritization at the April 25, 2001 meeting. It still has not been implemented or even scheduled for implementation. BellSouth's excuse is that it was prioritized 21st by CLECs. But if BellSouth had implemented even five prioritized requests per quarter since prioritization, interactive agent would be scheduled to be implemented next quarter.

107. BellSouth's failure to implement many CLEC-prioritized changes has a number of causes. One cause of the low number of CLEC-prioritized changes that are implemented is the high number of defects present in each BellSouth release. Because BellSouth releases have so many defects, BellSouth is forced to spend significant portions of future release space correcting those changes. BellSouth itself has indicated that 25% of its release space is needed just to resolve defects. (Att. 1, KPMG Florida Exception 88.) In addition, BellSouth may simply devote few resources altogether to new releases.

108. Even more fundamentally, BellSouth devotes much of its release space to implementation of changes that have not been prioritized by CLECs. BellSouth will often implement changes that have been initiated through the change management process but have not yet been prioritized ahead of changes that have already been prioritized. This renders the prioritization process largely irrelevant. In contrast, in Verizon, there were no non-prioritized changes implemented during the one year period we analyzed.

---

10 Change requests by one CLEC often benefit other CLECs. The prioritization process is designed to ensure that

109. Moreover, BellSouth will often use release space for changes that have not been initiated through the change management process at all. After CLECs prioritize changes, BellSouth determines which changes will be implemented in secret meetings in which it considers not just those changes prioritized by CLECs but also BellSouth-initiated changes that have not even been presented to CLECs in the change management process. BellSouth considers changes that it views to be non-CLEC-affecting to be outside the change management process altogether. Thus, without any input from CLECs, BellSouth often determines to implement such "non-CLEC affecting" changes and to give them higher priority than other changes.

110. On July 25, 2001, KPMG opened Exception 88 because the "BellSouth Change Control Prioritization process does not allow CLECs to be involved in prioritization of all CLEC impacting change requests." (Att. 1, Florida Exception 88.) KPMG explained that BellSouth uses an internal prioritization list that includes changes proposed internally, not just those that have come from the change control process. BellSouth explained to KPMG that even though "all change requests included in the master prioritization list are related to the Wholesale portion of BellSouth's business," not all met the definition of "CLEC Affecting." But this means that requests CLECs have not prioritized crowd out those they have prioritized. As KPMG explained, "[t]his policy inhibits one of the primary objectives of the Change Control Plan (CCP) 'to allow for mutual impact assessment and resource planning to manage and schedule changes.'" The "CLEC Community's lack of participation in change requests that effect CLEC business could result in change requests important to the CLEC Community not being developed or implemented in a timely manner." That exception remains open. (Att. 1).

B. Needed Modifications To Ensure Implementation of Prioritized Changes.

---

changes that benefit CLECs the most as a group are implemented first.

111. BellSouth must make a number of changes in its process to ensure that it begins implementing prioritized changes. BellSouth has yet to agree to make those changes.

112. To begin with, BellSouth must eliminate the back-room process in which it re-prioritizes changes after CLECs have already prioritized them. BellSouth should not be able to unilaterally determine to implement changes that have not been prioritized ahead of those which have been prioritized. Nor should it be able to determine that changes that have not even been introduced through the change control process should take priority over changes prioritized in that process. With the exception of changes needed to resolve defects, industry standard changes or regulatory mandates, BellSouth should use release space for changes prioritized in the change control process in the order in which they have been prioritized. (Indeed, there is an argument that even these changes should be prioritized.) Moreover, to ensure that BellSouth does not decide simply to implement few changes altogether, there should be a set time frame for implementation of changes.

113. None of the existing or proposed revisions in BellSouth's change management process address these concerns. In November 2001, BellSouth advanced a proposal it claimed would ensure that changes important to CLECs are implemented. It said it would devote 40% of space in future releases to CLEC-initiated changes. But BellSouth claimed that 40% of its release space *in 2001* was devoted to CLEC-initiated changes – at a time when very few CLEC-initiated changes were made. BellSouth Nov. 29 ex parte. Thus, BellSouth's proposal would not result in any increase in implementation of CLEC-initiated changes. Indeed, given the difficulty of measuring percentage of release space, BellSouth will always be able to claim to have met the 40% target.

114. In addition, a percentage allocation makes little sense. If it turns out that there are few regulatory mandates and few defects to correct in a given year, BellSouth could devote a very high percentage of changes to CLEC-initiated changes and still implement few of those changes. If BellSouth only implemented three changes but two of them were CLEC-initiated changes, BellSouth would meet the 40% requirement. If on the other hand, BellSouth needed to resolve an unexpected number of defects, or fulfill many unexpected regulatory mandates, BellSouth might not be able to fulfill a 40% commitment even if it implemented many CLEC-initiated changes in absolute terms. What is important is not the percentage of CLEC-initiated changes implemented relative to other changes but an assurance that BellSouth will implement important changes to improve functionality.

115. BellSouth's proposal also is based on CLEC-initiated changes rather than CLEC-prioritized changes. BellSouth would therefore count a CLEC-initiated change towards the CLECs 40% even if it had not yet been prioritized by CLECs or had been deemed less important in the prioritization process. But the whole point of the prioritization process is to ensure that those changes CLECs care most about are those that are implemented first.[11]

116. What is important is implementation of CLEC-prioritized changes, not CLEC-initiated changes. If CLECs prioritized all changes, they might well prioritize some BellSouth-initiated changes ahead of CLEC-initiated changes. Under BellSouth's proposal, it would get no credit for implementing such changes. Conversely, BellSouth would receive no blame for implementing changes in 60% of its release space that were completely unimportant to CLECs. Indeed, BellSouth might believe some of these changes were important to CLECs but would be unaware that they were unimportant because it did not present them in the change management

process. There is no reason that BellSouth should devote resources to such changes at the expense of other changes CLECs would prioritize higher. This is why those changes BellSouth initiates in secret "star chamber" proceedings, and all other BellSouth initiated changes, should be part of the prioritization process, and BellSouth should then be required to implement prioritized changes. When changes are implemented for the benefit of CLECs, CLECs should be able to determine the priority of those changes.

117. KPMG expressed very similar concerns when it reviewed BellSouth's 40% proposal. It explained that the proposal did not resolve its concern about the definition of CLEC affecting under which important changes were prioritized outside of the change control process, that it was difficult to know how BellSouth would assess the 40% allocation, and that it might be that BellSouth could not meet the 40% target if more release space were needed to resolve defects in a given year. (Att. 1, Exception 88).

118. As a result, CLECs rejected the 40% proposal and presented an alternative. The Georgia Commission requested that CLECs put together a red-line version of BellSouth's change control process and file it on January 30. The CLECs did so after working hard to come to a consensus. Several parts of their proposal are central to address BellSouth's failure to implement changes of high priority to CLECs. BellSouth has not yet agreed to any of them.

119. First, CLECs proposed that all release space be reserved for changes initiated through the change control process, and, with the exception of Type 2 (regulatory), Type 3 industry standard, and Type 6 (defect correction), these changes must be implemented in the order prioritized. In particular, CLECs proposed that "All release capacity not required to implement Type 2, Type 3, and Type 6 changes will be utilized for the implementation of Type 4

---

11 BellSouth points to three new performance measurements it intends to implement. Stacy Aff. ¶¶ 119-22.

and 5 changes. The CLEC prioritization will include an order of implementation that BellSouth may alter only with CLEC concurrence." BellSouth Feb. 27 ex parte ("Greenline") at 40. This proposal eliminates the "star chamber" process in which BellSouth re-prioritizes changes in its own internal meeting.[12] In addition, to the extent a post-prioritization review remains necessary, CLECs proposed that the review would include CLEC participation in the form of two CLEC co-moderators. Greenline at 17.

120. To date, BellSouth has rejected these proposals and suggested an alternative under which BellSouth could continue to implement changes in its star-chamber process: "No *Type 4 or Type 5* change may be input to Step 7 without first being subject to Step 5 of this process." (Greenline at 39 (emphasis added)). Under this alternative, BellSouth-initiated changes that have not been introduced as Type 4 changes can be input during Step 7 – the internal post-prioritization review – and implemented as part of a release. Moreover, there is no assurance that changes will be implemented in the order prioritized. And so far, BellSouth has refused to allow CLEC participation in the post-prioritization process of slotting changes into releases.

121. BellSouth further recommended that Type 4 and Type 5 changes remain in different buckets with "capacity remaining after assigning Types 2, 3, 6 used for slotting Types 4s/5s at time of prioritization: 50%/50% approximate capacity split between Type 4s and 5s." This 50/50 proposal has the same flaws as the prior 40% proposal. Indeed, devoting 50% of capacity to Type 5 (CLEC-initiated) changes after assigning Types 2, 3, and 6 features probably

---

None, however, addresses whether prioritized changes are actually implemented.

12 The definition of "CLEC affecting change," which I discuss further below, also provides such an assurance, as does the inclusion of billing in change control. By broadening the definition of CLEC affecting and including billing, CLECs would ensure that all changes that might take up release space are considered in the prioritization process. They could thus only be implemented as Type 4 changes and would have to be prioritized.

leaves less capacity for CLEC-initiated changes than the 40% proposal. The point is that Type 4 and Type 5 changes should be prioritized together and then implemented in priority order regardless of who initiated the change.

122. Second, CLECs proposed that BellSouth must implement all Type 4 and Type 5 changes within 60 weeks of prioritization of the change. Greenline at 40. This proposal is essential. No prioritization process alone can ensure that BellSouth implements changes important to CLECs because BellSouth might decide to implement few changes of any sort. Such assurance might not be necessary if BellSouth, like Verizon, had a strong track record of implementation of prioritized changes. BellSouth does not have such a record, however. And BellSouth rejected the CLEC 60-week proposal by adding the qualifier "subject to capacity availability." This qualifier wipes out the proposal's usefulness because any time BellSouth fails to implement a prioritized request, in BellSouth's view, it will always be the result of "capacity availability" – BellSouth will have determined that other changes should use up what it deems to be the available capacity.

123. MCI is certainly willing to consider alternatives to the changes proposed by CLECs. But MCI believes that BellSouth has not yet proposed any alternative that would remedy the core defects in its change management process. In the absence of a change control process that is working in practice, the lack of acceptable proposed alternatives should lead the Commission to reject BellSouth's application.

C. BellSouth Does Not Smoothly Implement Changes

124. Even when BellSouth finally decides to implement a change, it does not do so in a manner that minimizes disruption to CLECs. This is so both because BellSouth excludes some

changes from the process altogether and because BellSouth fails to provide adequate notices and testing of changes encompassed within the process.

1. BellSouth Considers Some Changes Outside Of Change Management.

125. BellSouth believes some important changes are exempt from the requirements of change management that are designed to ensure changes are implemented smoothly. Indeed, BellSouth considers some changes exempt from change management altogether. As I discussed above, BellSouth considers changes to be outside the scope of change management if they are not "CLEC affecting." BellSouth also considers billing changes to be outside the scope of change management.

126. BellSouth defines the term CLEC affecting narrowly to encompass only changes that require CLECs to change their interfaces. KPMG opened Exception 88 in Florida in part because of BellSouth's narrow definition of CLEC affecting. Under BellSouth's definition, major changes to BellSouth back-end systems or processes that affect the way in which CLEC orders are processed or the way in which CLECs must do business are not considered CLEC affecting and are excluded from change management. BellSouth therefore does not need to provide notification or documentation regarding such changes and does not have to allow CLECs any test period before such changes are implemented.[13]

127. But it is vital that CLECs have notice of changes to BellSouth's back-end systems and business processes and documentation showing how these changes will work. Verizon, for example, provides notification and documentation regarding back-end systems and process

[13] BellSouth has relied on its narrow definition as an attempt to justify exclusion of changes that would seem to be CLEC-impacting even by that definition. BellSouth claimed it did not have to follow documentation requirements for its migration by TN change, for example, in part because that change was not CLEC-impacting.

changes to CLECs and meets with CLECs to discuss the changes. Although CLECs do not need the same sort of documentation for BellSouth back-end changes and process changes as they do for changes to interfaces, including business rules, they do need to understand those changes. Only by understanding changes to BellSouth's processes and systems can CLECs anticipate what sorts of problems may occur with implementation of a change and work to minimize the harm caused by any such problems. Moreover, only by understanding such changes can CLECs work effectively with BellSouth to correct problems that do occur. And only through testing before such changes are implemented can CLECs discover ahead of time any unexpected problems caused by the changes.

128. CLECs must, for example, understand and be able to test BellSouth's upcoming move to a single order process. This change will impact almost all of BellSouth's back-end systems, which are currently updated by the N and D orders. CLECs must understand the exact nature of the change and be allowed to test the change before it is implemented. Until recently, however, BellSouth claimed that its move to a single-order process in its back-end was not CLEC-impacting. Under pressure from CLECs, BellSouth has now relented and will allow testing of the move to a single-order process – but only because the change will in fact lead to limited changes in the interfaces. But absent a change in the definition of CLEC-affecting, there is no assurance that similar future changes will be included in change management.

129. BellSouth also considers billing changes to be outside the scope of the change management process. This is so when the changes are back-end changes that BellSouth considers are not CLEC-impacting, but it is also so when changes will affect the form of the bills that BellSouth will transmit to CLECs.

130. BellSouth currently has plans to launch a new "Tapestry" billing system. Yet BellSouth has not discussed this change during the change control process. Instead, after CLECs discovered BellSouth's plan, they demanded that BellSouth explain why this new billing system was not being discussed in change control meetings. BellSouth responded that billing falls outside change management and that, in any event, the change was not CLEC-impacting and thus did not have to go through change management. BellSouth did eventually hold a meeting to discuss the billing changes it had unilaterally decided to implement but did not announce the meeting to the CLEC community as a whole. At that meeting, it repeated its explanations as to why the changes had not gone through change management. (Att. 19 to October Lichtenberg Decl.) BellSouth's unilateral determination that a significant change to its billing process is not CLEC-impacting is problematic to say the least. As the questions asked at the October 11 meeting indicate, there are numerous aspects of the billing change that directly affect CLECs.

131. In the redline version of BellSouth's change control process, CLECs proposed that all changes important to CLECs are encompassed within the change management process. CLECs first proposed a broader definition of CLEC affecting change as "[a]ny change that potentially may cause a CLEC to modify the way it operates in conducting wholesale business transactions with BellSouth. Modifications to the way CLECs operate in conducting wholesale business transactions with BellSouth include but are not limited to: (1) changes to CLEC system code; (2) changes in CLEC employee training; (3) changes to CLEC business methods and procedures at the transaction, clarification, or escalation levels; (4) changes to the work assignments of CLEC personnel. Internal BellSouth process changes [either software or procedural] unique to the CLEC wholesale environment are CLEC affecting."

132. BellSouth responded with its own proposed definition of CLEC affecting – "[A]ny change affecting the interfaces between the CLECs and BellSouth's operational support systems. These changes might reflect a business process improvement which BellSouth and/or the CLEC is seeking to implement within its operational support systems and that implies a change in the way the CLEC will interact with BellSouth." Greenline at 89. This definition does very little to resolve the existing difficulty, however. A back-end system change would never fit within this definition unless it affects the interfaces between the CLECs and BellSouth's operational support systems. (This is also apparent from BellSouth's exclusion of back-end systems as encompassed within change management. Greenline at 12-13.) A business process improvement "might" be CLEC-impacting but the circumstances in which this would be so are entirely undefined. BellSouth specifically excluded changes to workcenters from the scope of change management. Greenline at 13.

133. BellSouth also refused to accept CLECs' proposal that billing changes be included within change management. Instead, BellSouth stated that billing would only be included "when certain ordering or pre-ordering requests to the CLEC interfaces may result in changes to the Billing system and testing." Greenline at 13. In other words, changes to BellSouth's back-end billing processes or systems – or even changes that alter the format of bills transmitted to CLECs will not generally be included in change management.

134. Thus, BellSouth has not yet agreed to modifications of its change management process that would provide assurance that CLECs have adequate notice, documentation and testing opportunities for changes currently considered outside that process.

2. BellSouth Fails to Smoothly Implement Other Changes.

135. BellSouth also fails to smoothly implement those changes that it considers to be encompassed within the change management process. It fails to provide adequate notice and documentation regarding those changes and fails to test those changes adequately to ensure they do not introduce significant defects. Both of the significant recent changes that BellSouth has implemented, its implementation of migration by TN and parsed CSRs, exemplify these problems.

136. In our reply declaration with respect to BellSouth's prior application, we explained the near-disastrous history of BellSouth's implementation of its release for migration by TN. We will not repeat all of those details here. To summarize, AT&T and MCI submitted change requests for migration by TN in December 1999 and August 2000 respectively. Ultimately, the Georgia Commission ordered BellSouth to implement this change on November 3, 2001. BellSouth did not provide documentation for this change until October 19, 2001, however, and this very-limited documentation was ambiguous. As best MCI could tell, it would have to strip addresses off its orders to take advantage of the change. BellSouth confirmed this in an October 25 change management meeting. But the day before the change was scheduled to take effect, BellSouth announced that if CLECs stripped the addresses off of their orders, 30% of CLEC orders would be rejected. In a subsequent meeting, BellSouth informed MCI that it never should have told CLECs to strip addresses off of their orders. The personnel who wrote the user requirements and communicated with CLECs in change management had misunderstood the change actually implemented by BellSouth's Information Technology personnel and outside vendors. Moreover, even though MCI had not yet made the change to strip addresses off of its orders and thus should not have experienced any increase in rejects according to BellSouth's

November 2 notice, MCI immediately experienced a doubling of its reject rate when BellSouth implemented migration by TN on November 3.

137. Although BellSouth implemented a fix for its migration by TN functionality on November 17, that fix created a new problem. BellSouth began itself placing addresses on orders but rejected orders if these addresses, obtained from its RSAG database, did not match the addresses in its CRIS database. Although the quantity of such rejects was relatively small, the only way CLECs could correct the rejected orders was by calling BellSouth and having BellSouth fix its database mismatch for the particular order. BellSouth did not eliminate the problem caused by its database mismatch problem until February 2, and even then, BellSouth's fix may well cause another problem – delays in updates to its billing systems, as we discussed above. Moreover, even after this change, BellSouth continues to reject migration orders for reasons that are inconsistent with the migration by TN business rules. In late January, BellSouth began rejecting a relatively small number of orders based on "invalid/missing listing name or type" even though MCI requested listing as is and the orders should not have been validated against the listing name on the CSR. These rejects continued after February 2. The initial implementation of migration by TN was therefore near-disastrous and the subsequent fixes still far from perfect.

138. BellSouth's implementation of parsed CSRs has been only slightly smoother. As explained above, we do not intend to discuss whether BellSouth is now providing CSRs with adequate functionality. But it is clear that the process of implementing those CSRs was marred with problems. On August 12, 1999, AT&T first submitted a change request for parsed CSRs. BellSouth finally agreed with CLECs on requirements for parsed CSRs in November 2000. But when BellSouth finally released draft user requirements for parsed CSRs in September 2001,

they significantly deviated from these requirements. Moreover, the requirements were missing much of the necessary information, prompting a whole series of CLEC questions.

139. BellSouth never adequately answered these questions and did not release final documentation until December 15, 2001, less than 3 weeks before BellSouth implemented parsed CSRs on January 5 – causing BellSouth to miss the five week deadline in its change management plan for so-called "minor releases." Moreover, BellSouth's December documentation remained incomplete. On December 12, KPMG opened an Observation in Florida as a result of this failure. And the five week deadline in BellSouth's change management process itself provides too little notice to CLECs of an impending change. In contrast, for comparable releases, SWBT's change management plan required it to provide documentation of changes to an application-to-application interface 110 to 130 days prior to a change and generally met that deadline. TX Order ¶¶ 127 n. 388, 128 & n.340. Moreover, CLECs could invoke a go/no go vote to delay implementation of the release, which they cannot do in BellSouth. TX Order ¶130.[14]

140. Not surprisingly, after BellSouth implemented parsed CSRs on January 5, it became clear that the release had numerous defects. BellSouth identified twenty three defects in the release. Stacy Supp. Aff. Att. 25. And although BellSouth states that all releases will inevitably have some defects, the sheer number of defects here is far from typical. In the Verizon region, for example, a typical release has at most one or two systems defects. We do not believe there were any tickets opened with respect to the last two Verizon releases. And internally, we consider a release of extremely poor quality if there are more than 10 errors.

[14] There is no versioning for minor releases so versioning would not help CLECs avoid the impact of a change for which they have not had adequate time to prepare.

141. Moreover, contrary to BellSouth's suggestion, the parsed CSR defects were important. While BellSouth states that the defects did not "create a situation where testing cannot be performed, or where commercial use of the software is prohibited," Stacy Supp. Aff. ¶71, they did severely limit the immediate usefulness of the parsed CSRs. Until BellSouth fixed these defects, CLECs could not take the information from the CSRs and use it accurately to pre-populate orders. While the number of defects in BellSouth's parsed CSR release is not typical of ILECs generally, unfortunately, it is typical of BellSouth. As noted above, BellSouth acknowledges 25% of its release space is used to remedy defects. And this does not include the vast number of documentation defects that must be corrected.

142. In Florida, KPMG opened Exception 157 on March 4, 2002 because "BellSouth fails to follow its software testing and quality processes." (Att. 1) KPMG explained that there were significant defects in the 2002 releases that BellSouth has implemented.

143. Moreover, once defects in a release become apparent, BellSouth often fails quickly to remedy those defects. KPMG noted the backlog of defects that currently exists. Fla. Exception 157 (Att. 1). The change control process itself allows BellSouth too long a time period to implement Type 6 changes to correct defects. A Type 6 change "is any non-type 1 change that corrects problems discovered in production versions of an application interface" either because the interface is not working in accordance with published requirements or because agreed-upon requirements result in inoperable functionality. BellSouth OSS Ex. 39 (from original filing) at 42. BellSouth separates Type 6 changes into High Impact (impairs critical functions and no electronic workaround exists); medium impact (impairs critical system functions, though a workaround solution does exist), and low impact (causes inconvenience or annoyance). Id. The change control process calls for BellSouth to internally determine solutions

for high impact defects in 10 days with best effort used to achieve the earlier number, medium impact defects in 90 days with best effort used to achieve the earlier number and low impact defects using best effort. (Additional time is required for other steps in the resolution process.)

144. A medium impact defect affects critical functionality, even if a manual workaround exists. Given MCI's order volume, MCI cannot fall into a manual mode for up to 90 days. This would be extremely costly to MCI and will also result in extensive delays. That is exactly what has happened with the erroneous due dates returned on FOCs for supplemental orders, for example. Further, low impact defects which cause inconvenience should also be resolved rapidly, not simply left to a "best efforts" standard.[15]

145. In addition, KPMG opened Exception 123 because BellSouth is not classifying change requests as defects in accordance with the BellSouth definition of a defect. (Att. 1) BellSouth instead classifies defects as features and thus avoids the need to meet the timeframes required for correcting defects. This Exception remains open. Indeed, BellSouth recently attempted to rename a defect in its parsed CSR implementation to be a feature request.[16] Nothing BellSouth has proposed would resolve this problem.

146. Indeed, as a general matter, there is only a limited ability for any written alterations to BellSouth's change control process to ensure that BellSouth smoothly implements changes. BellSouth's failures are caused to a significant extent by BellSouth's failure to live up to the existing process and failure to test changes adequately before implementing them.

---

15 While one metric proposed by BellSouth does purport to measure whether CLECs receive timely correction of BellSouth software defects, that problem BellSouth has with timeliness is that it defines too many defects as "medium impact" or "low impact."

16 Parsed CSRs were ordered by the Georgia and Florida Commissions, making their implementation a Type 2 change. BellSouth failed to provide a key functionality – hunting information. BellSouth is now trying to make this change but is characterizing it as a CLEC-requested change and demanding that CLECs prioritize it outside of the normal prioritization process -- in a misguided effort to show it did not fail to make the change in the first place.

Nonetheless, a number of the changes proposed by CLECs would help ensure future changes proceed smoothly.

147. First, CLECs have proposed that BellSouth include "subject matter experts familiar with and responsible for the implementation of change requests to the interfaces, linkages and legacy systems impacted by proposed changes. In addition, the BellSouth lead manager or project manager associated with any sub-teams, task forces, or user groups that operate in association with the CCP or submit change requests to the CCP shall be present at all monthly status meetings." Greenline at 16. Only such experts can accurately explain BellSouth proposed changes; can listen to CLEC-proposed changes and provide a response as to what is feasible, what makes sense and so on, thus aiding the prioritization process. Moreover, only such experts can adequately answer questions about implementation of proposed changes, which might help avoid debacles such as the one with migration by TN in which the information conveyed by the change management personnel was completely inaccurate.

148. In response, BellSouth proposed that a representative of IT will participate in change management meetings, appropriate SMES and Project Managers will participate as needed, and a quarterly technical meeting with the BellSouth technical meeting will be held. *Id.* While BellSouth's response may make it appear that appropriate personnel will be at all meetings, it is not adequate. BellSouth is now sending a single IT liaison, not an actual IT expert, to change management meetings. And while BellSouth states that it will bring SMEs as needed, it is essential that knowledgable experts attend each meeting. In Verizon and SBC, IT personnel actually run the change management process.

149. Second, CLECs have proposed increasing the advance notice BellSouth is required to provide CLECs for what have been called "minor" releases. At present, BellSouth is

required to provide business rules and final specifications for minor releases five weeks in advance of the release. If BellSouth must instead comply with the requirements for what have previously been termed major releases, it will need to provide specifications 10 weeks in advance and business rules 8 weeks in advance. As a result, even if BellSouth misses the deadline, BellSouth should still provide documentation further in advance then it has with the migration by TN and parsed CSR "minor" releases. BellSouth has agreed to discuss this proposal but has not yet agreed to it substantively.

150. Third, CLECs have proposed that reduced timeframes for implementation of fixes for "medium impact" defects and "low impact" defects. Because BellSouth on its own determines whether a defect his high medium or low impact and often determines impacts are low impact even though they cause significant problems for CLECs, BellSouth should be required to correct all defects within 30 days at the most.

151. Fourth, CLECs have proposed a go/no go vote, as exists in SBC, so that CLECs can stop a release from being implemented if they become aware that it is ridden with defects. The migrate by TN release, for example, should never have been implemented on November 3.

152. There is not yet sufficient evidence that BellSouth can smoothly implement changes. Nor has BellSouth agreed to alterations in its change control process that would better ensure effective implementation of future changes.

3. BellSouth's Test Environment for CLECs Is Inadequate.

153. Unlike other BOCs, BellSouth has not yet begun providing a CLEC Test Environment that truly is separate from the production environment. BellSouth offers the CLEC Application Verification Environment ("CAVE") for testing. But BellSouth now acknowledges that this is not truly a separate testing environment. BellSouth, unlike Verizon or SBC in any of

its regions, requires CLECs to use different codes when testing in CAVE than they do in production. For testing, BellSouth provides CLECs with fictitious Company Codes, Customer Carrier Name Abbreviations, Carrier Identification Codes, and Billing Account Numbers. At a September 7, 2001 meeting, BellSouth stated that CAVE is a front-end ordering process that interfaces BellSouth's back-end production systems. BellSouth acknowledges that here. Stacy Supp. Decl. ¶138 (no separate service order processor in test environment).

154. The absence of a separate test environment is a substantial problem. Without a separate test environment, test orders and changes made during testing can negatively impact the production environment. Indeed, on October 1, BellSouth re-flowed 1521 production notifiers into MCI's test environment in an effort to transmit to MCI notifiers that had previously been missing. These notifiers contained the correct Purchase Order Number ("PON") values that were missing but were sent to MCI with test Trading Partner IDs thus causing the responses to end up in MCI's test environment. Although BellSouth continues to deny that this occurred (Stacy Supp. Aff. 140), it spent one day researching the problem, and it is hard to imagine how the orders could have ended up with test IDs if BellSouth did not place these IDs on the orders. While BellSouth also states that WorldCom never responded to BellSouth's report of its investigation, we previously provided an e-mail version of our response.

155. Moreover, even if CAVE were a separate test environment, BellSouth's requirement that CLECs rely on fictitious Company Codes, Customer Carrier Name Abbreviations, Carrier Identification Codes, and Billing Account Numbers causes significant difficulties in testing. With the exception of the Billing Account Number, this information is hard-coded into MCI's systems. It is used in transmission of orders to multiple ILECs. Changing this coding would risk creating serious problems with MCI production orders and MCI

is unwilling to take this risk. Thus, when MCI did submit test transactions to CAVE in September, it manually changed the codes on each test order. This causes unnecessary work. It also alters the nature of MCI's ordering process and thus makes the test results less reliable.

156. There is no basis for concluding that CAVE is adequate. CAVE was unavailable for much of the Fall of 2001. After that, MCI did engage in some limited additional testing in CAVE. This testing went relatively well – but KPMG was looking over BellSouth's shoulder during the test. MCI is still extremely concerned that the lack of a separate test environment will in the future result in mixing of test and production orders.

157. In Florida, KPMG opened Exception 6 in September 2000 and issued the latest amendment to that Exception on September 27, 2001 because "BellSouth lacks an appropriate process, methodology and robust test environment for testing of the electronic data interchange (EDI) interface." (Att. 1.) That exception remains open today. It is not entirely clear whether that exception relates only to BellSouth's test environment for new entrants or also to its CAVE environment used by entrants that are already using EDI in production. In any event, KPMG also has an open exception specifically with respect to CAVE. On December 19, 2001, KPMG opened Exception 128 because "BellSouth does not support Pre-Order testing in the CLEC Application Verification Environment." The "lack of supported pre-order testing," KPMG concluded, "may result in a CLEC's inability to efficiently execute transactions with BellSouth, resulting in CLEC dissatisfaction."

158. Moreover, there remain other issues with CAVE. Based on the redline/greenline versions that have been circulated, there may remain significant differences between BellSouth and CLECs as to when CAVE will be available for testing, whether BellSouth will provide a test deck for CLECs, which is essential to ensure a full range of scenarios is tested, and whether

BellSouth will inform CLECs of any test failures. We will not detail these issues here as it is difficult to determine at the moment the extent of the disagreement.

159. BellSouth must develop a truly independent test environment and make it available to CLECs prior to in-region interLATA entry.

Conclusion

160. This concludes my declaration on behalf of WorldCom, Inc.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on March 1, 2002.

/s/ Sherry Lichtenberg